

Kentucky Agricultural Finance Corporation

Minutes of the July Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board was held on Friday, July 20, 2007 at 10:00 AM EDT at the Hilton Cincinnati Airport in Florence, Kentucky. Tim Hughes, presiding, called the meeting to order. Mr. Hughes then asked Nicole Ray, Secretary, to call the roll.

Members Present

Commissioner Farmer (Tim Hughes, designee), Wayne Hunt, Larry Jagers, Billy Joe Miles, Frank Penn, Bob Proffitt, James Reams, Annette Crawford Walters

Members Absent

Secretary Burnside, Bob Gaslin, Doug Lawson, Charles Miller

Others Present

Staff –Bill McCloskey, Nicole Ray, Keith L. Rogers

Guests – Katherine Halloran, Legislative Research Commission

Notification of Press

Nicole Ray stated that the media had been notified.

Review and approval of Minutes of June 1, 2007

A motion to approve the June minutes was made by Ms. Walters, seconded by Mr. Penn. The motion passed without dissent.

Director of Financial Services Report

Mr. McCloskey stated that the next meeting is scheduled for September 7th and asked the Board if they would like to hold that meeting in Somerset. The consensus of the Board was to meet in Somerset on September 7th.

Mr. McCloskey called the attention of the Board to the financial and loan status reports located in their update folders (on file with Board Secretary).

Mr. McCloskey brought the attention of the Board to the letter from Harry Young at Central Kentucky Agricultural Credit Association requesting an increase in the net worth limit for the Beginning Farmer Loan Program (on file with Board Secretary). **Mr.**

Jagers moved to increase the net worth limit from \$250,000 to \$500,000 for the Beginning Farmer Loan Program, Mr. Miles seconded the motion. The motion passed without dissent.

Mr. McCloskey called the attention of the Board to the memo from Keith Rogers on the Gross Farm Income calculation for the Agricultural Infrastructure Loan Program (on file with Board Secretary). **Ms. Walters moved to accept the recommendation in the memo, Mr. Penn seconded the motion. The motion passed without dissent.**

New Business

Loan applications

Agricultural Infrastructure Loan Program - Discussion and Action

Mr. McCloskey presented the following loan applications:

AF06-0069 Bell, William & Cathy – Applicants request \$40,000 for construction of two barns to be used for tobacco and equipment storage in Graves County. Heritage Bank in Fulton is the participating lender. **Mr. Miles moved to approve the request, Ms. Walters seconded the motion. The motion passed without dissent.**

AF07-0018 Monroe, Chad & Cheri – Application is incomplete.

AF07-0034 Atherton, Duane – Application is incomplete.

AF07-0035 KAD Farms – Application is incomplete.

AF07-0036 Murray, Allan – Application is incomplete.

AF07-0037 Grider, Ed – Application is incomplete.

AF07-0056 D & H Farms – Application is incomplete.

AF07-0062 Trunnell, Kevin – Application is incomplete.

AF07-0065 Wright, James and Mary – Applicants request \$100,000 for construction of a freestall barn and addition of a bunk silo to expand an existing milk operation in Logan County. Farm Credit Services of Mid-America in Hopkinsville is the participating lender. **Mr. Penn moved to approve the request, Mr. Reams seconded the motion. The motion passed without dissent.**

AF07-0066 Pullen, James – Applicant requests \$29,400 for construction of a tobacco barn in Breckinridge County. South Central Bank in Elizabethtown is the participating lender. **Mr. Miles moved to approve the request, Mr. Jagers seconded the motion. The motion passed without dissent.**

AF07-0067 Williams, Mark & Tracey – Applicants request \$40,311 for construction of a grain storage facility in Henderson County. Ohio Valley Bank of Henderson is the participating lender. **Ms. Walters moved to approve the request, Mr. Reams seconded the motion. The motion passed without dissent.**

AF07-0069 Goode, Greg & Joyce – Application is incomplete.

AF07-0070 Courtney, Wayne & Carla – Applicants request \$32,500 for construction of a tobacco barn in Harrison County. Farm Credit Services of Mid-America in Lexington is the participating lender. **Ms. Walters moved to approve the request, Mr. Jagers seconded the motion. The motion passed without dissent.**

AF07-0071 Webb, Todd & Michelle – Applicants request \$51,763.50 for construction of a tobacco barn in Warren County. Bank of Edmonson County in Brownsville is the participating lender. **Mr. Miles moved to approve the request, Ms. Walters seconded the motion. The motion passed without dissent.**

AF07-0072 Bogie Farms, LLC – Applicants request \$100,000 for construction of a cattle confinement facility and commodity storage structure in Madison County. Central Kentucky Agricultural Credit Association in Richmond is the participating lender. **Mr. Reams moved to approve the request, Ms. Walters seconded the motion. The motion passed without dissent.**

AF07-0073 Petrey Family Farm, LLC – Applicants request \$18,000 for construction of a tobacco barn in Shelby County. Citizens Union Bank in Shelbyville is the participating lender. **Mr. Miles moved to approve the request, Mr. Penn seconded the motion. The motion passed without dissent.**

AF07-0074 Morris, Mark & Corby – Applicants requested \$40,505 for construction of a tobacco barn in Henry County. United Citizens Bank and Trust in Carrollton is the participating lender. The request was approved by KAFC staff on July 11, 2007.

Agricultural Processing Loan Program – Discussion and Action

Mr. McCloskey updated the Board on the following applications:

AF07-0014 Jean Farris Winery & Bistro – Application is still pending.

AF07-0060 John's Custom Meats, LLC (AF07-0022) – Application is incomplete.

Beginning Farmer Loan Program – Discussion and Action

Mr. McCloskey presented the following applications:

AF07-0057 Cain, Jason & Rachel – James Reams, the applicant's participating lender, stated that the application is being withdrawn.

AF07-0064 Leonard, Cody – Application is pending for the September Board meeting.

AF07-0068 Feagin, James & Joanna – Applicants request \$100,000 for purchase of 4 broiler barns and equipment, litter barn and eight acres of land in Graves County. Jackson Purchase Agricultural Credit Association in Mayfield is the participating lender. **Mr. Miles moved to approve the request, Mr. Penn seconded the motion. The motion passed without dissent.**

Old Business

AF07-0041 Rineyville Feed and Supply, LLC – No Board action required.

Other Business

AF07-0059 Byler, David & Mattie – Lender requested that KAFC subordinate to additional debt as a result of higher than expected construction costs. KAFC staff approved the request based upon the expected loan-to-value.

AF06-0042 Hudnall, Jerry & Sue – Application has been withdrawn.

Closing Remarks

The motion to adjourn was made by Ms. Walters, seconded by Mr. Penn.
The motion passed without dissent. The meeting adjourned at 11:25 am EDT.